

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-02

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AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

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USMISSION OECD PARIS

USMISSION NATO BRUSSELS

AMCONSUL BELFAST

AMCONSUL EDINBURGH

AMCONSUL LIVERPOOL

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 14983

E.O. 11652: GDS

TAGS: PINT, PGOV, UK

SUBJECT: LABOR PARTY CONFERENCE: BATTLELINES FORM

REF: (A) LONDON 14302; (B) LONDON 14535; (C) LONDON 14986

(D) LONDON 14865; (E) LONDON 14760

SUMMARY: PRIME MINISTER WILSON AND LABOR PARTY MODERATES

HAVE MOUNTED A SUSTAINED DRIVE TO CURB THE PARTY'S LEFT-

WING, WHICH GREATLY INCREASED ITS INFLUENCE IN PARTY

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AFFAIRS DURING THE YEARS IN OPPOSITION. THE ULTIMATE

PRIZE IN THIS STRUGGLE FOR SUPREMACY IS THE AUTHORITY TO DETERMINE AND IMPLEMENT GOVERNMENT POLICY, AND THUS FAR WILSON AND HIS ALLIES HAVE REGAINED CONSIDERABLE GROUND. THE CURRENT BATTLE IS EXPECTED TO CLIMAX AT THE NOVEMBER 27-30 LABOR PARTY CONFERENCE, BUT THE OUTCOME IN THAT FORUM WILL PROVIDE NO MORE THAN A SHORT RESPITE FOR BOTH SIDES. WHILE THE QUESTION OF SUPREMACY WILL BE ADDRESSED ON SEVERAL FRONTS AT THE CONFERENCE, BOTH THE MODERATES AND LEFTISTS REALIZE THE RESULTS WILL HAVE AN IMPORTANT, AND PERHAPS DETERMINATIVE, EFFECT ON WHETHER THE UK REMAINS IN THE EC. THIS, HOWEVER, IS NOT TO IMPLY THAT WILSON NOW ADVOCATES CONTINUED BRITISH MEMBERSHIP. RATHER, WE BELIEVE HE IS STILL UNDECIDED AND WILL MAKE NO DECISION ON THIS MATTER UNTIL NEGOTIATIONS ARE COMPLETED, AND THEN ONLY AFTER CAREFUL CONSIDERATION OF THE IMPLICATIONS FOR THE PARTY AND HIS GOVERNMENT. IN FIGHTING TO PREVENT LEFT-WING FORECLOSING HIS OPTIONS ON COMMON MARKET, WILSON IS PRIMARILY SEEKING TO ENSURE THE CONTINUED AUTHORITY OF THE CABINET. END SUMMARY

1. WILSON'S RECENT ASSERTION OF THE COLLECTIVE RESPONSIBILITY DOCTRINE (REF A) AND THE DISSIDENT MINISTERS' ACCEPTANCE OF HIS EDICT (REF B) ARE BUT ONE ELEMENT, ALBEIT AN IMPORTANT ONE, OF A BROAD GAUGE EFFORT TO BRING THE PARLIAMENTARY LABOR PARTY'S (PLP) LEFT-WING UNDER CONTROL AND NEUTRALIZE LEFTIST INFLUENCE IN THE LABOR PARTY ITSELF. OTHER RECENT ELEMENTS OF THE OVERALL STRATEGY INCLUDE:

- A. ELECTION OF MODERATE, PRO-MARKETEER CLEDWYN HUGHES AS CHAIRMAN OF THE PLP, REPLACING TRIBUNE GROUP LEADER IAN MIKARDO (REF C);
 - B. CHANCELLOR HEALEY'S PRESENTATION OF A MODERATELY REFLATIONARY, ORTHODOX BUDGET (REF D) WHICH, WHILE STRONGLY ENDORSED BY THE TUC, WAS ATTACKED BY PLP'S LEFT-WING FOR ITS "CONCESSIONS" TO THE PRIVATE SECTOR;
 - C. AN INCREASINGLY TOUGH POSTURE BY WILSON AND EMPLOYMENT SECRETARY FOOT REGARDING THE WAGE CLAIM SIDE OF THE SOCIAL CONTRACT (REF E);
 - D. THE LABOR PARTY'S NATIONAL EXECUTIVE COMMITTEE (NEC) DECISIONS TO JUNK THE ORIGINAL AGENDA FOR THE
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ANNUAL PARTY CONFERENCE (WHICH CONTAINED MANY RESOLUTIONS CRITICAL OF GOVERNMENT POLICIES) AND TO STRENGTHEN WILSON'S POSITION VIS-A-VIS A SPECIAL EC WATCHDOG COMMITTEE (REF A);

E. GOVERNMENT RESISTANCE TO LEFT-WING PRESSURES IN THE CLAY CROSS CASE IN WHICH A LABOR-CONTROLLED TOWN COUNCIL REFUSED TO RAISE RENTS AS REQUIRED BY THE TORY-SPONSORED HOUSING FINANCE ACT OF 1972; AND

F. THE REPORTED WATERING DOWN OF AN AMENDMENT TO THE LAW ON STRIKE PICKETING ADVANCED BY THE PLP LEFT-WING.

2. THESE DEVELOPMENTS HAVE STRENGTHENED THE POSITION OF MODERATES IN THE CABINET, THE PLP AND THE PARTY ITSELF DURING THE RUN-UP TO THE ANNUAL LABOR PARTY CONFERENCE WHICH WILL BE HELD IN LONDON NOVEMBER 27-30. THE LEFT-WING, LED BY THE TRIBUNITES, SUBSTANTIALLY INCREASED ITS INFLUENCE IN THE LABOR PARTY DURING THE YEARS IN OPPOSITION, AND DURING THE MARCH-OCTOBER MINORITY GOVERNMENT WAS ABLE TO ADVANCE ITS POSITIONS SECURE IN THE KNOWLEDGE

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THAT NEITHER WILSON NOR THE MODERATES WOULD PROVOKE AN OPEN CONFRONTATION. WHILE IT MAY NOT BE FAIR TO SAY THE LEFT DOMINATES THE NATIONAL LABOR PARTY, THERE IS LITTLE DOUBT THAT IT HAS BEEN ASCENDENT AND THAT THE LEFTIST BLOC IN THE PLP HAS ALSO GROWN (THOUGH THE MODERATES STILL HAVE A MAJORITY). THE LEFT'S ULTIMATE AIM IS TO ESTABLISH THE SUPREMACY OF THE LABOR PARTY IN MATTERS OF GOVERNMENT POLICY, I.E. TO MAKE THE CABINET ACCOUNT-CONFIDENTIAL

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ABLE TO THE NATIONAL PARTY RATHER THAN TO THE PLP AND THE ELECTORATE, AS IS CURRENTLY THE CASE. THEY PURSUE THIS GOAL IN THE GUISE OF DEMOCRACY. THE TRIBUNITES ARGUE THAT SINCE THE PARTY IS A DEMOCRATIC INSTITUTION (A SPECIOUS PREMISE, GIVEN THE EXISTING STRUCTURE WHICH AFFORDS THE TRADE UNIONS AN EFFECTIVE MAJORITY IN THE ANNUAL CONFERENCE AND THE NEC), A LABOR GOVERNMENT MUST THEREFORE FAITHFULLY EXECUTE THE WILL OF THE PARTY AS MANIFESTED IN CONFERENCE AND NEC DECISIONS. A RECENT TRIBUNE EDITORIAL DEVELOPED THIS THESIS, HIGHLIGHTING ITS SHORT-TERM OBJECTIVE OF OBTAINING BRITISH WITHDRAWAL FROM THE EC.

3. WE EXPECT, HOWEVER, THE CONFERENCE WILL BE INCONCLUSIVE IN TERMS OF BOTH THE RIGHT/LEFT STRUGGLE FOR POWER AND BRITISH MEMBERSHIP IN THE EC. (ALTHOUGH THE PRO/ANTI-MARKET DIVISION IN THE LABOR PARTY IS NOT PRECISELY THE SAME AS THE RIGHT/LEFT BREAKDOWN, THERE IS A HIGH DEGREE OF COINCIDENCE). LABOR'S LEFT WILL BE SEEKING TO USE THE CONFERENCE TO IMPOSE ITS WILL ON THE GOVERNMENT, THUS ACHIEVING THAT WHICH IT HAS BEEN UNABLE TO ATTAIN IN THE PLP, WHILE THE MODERATES WILL SEEK TO FRUSTRATE THE LEFT'S INITIATIVE. THE MODERATES' STRENGTHENED POSITION, DESCRIBED ABOVE, TOGETHER WITH THE NATURAL ADVANTAGE ENJOYED BY THOSE SEEKING TO BLOC A NEW INITIATIVE, SHOULD BE SUFFICIENT TO STYMIE THE LEFT ON THE MATTER OF GOVERNMENT ACCOUNTABILITY TO THE PARTY. AN INCONCLUSIVE RESULT ON THIS ISSUE WILL ALMOST CERTAINLY PRESERVE THE GOVERNMENT'S OPTIONS ON THE EC REFERENDUM UNTIL THE RE-NEGOTIATION PROCESS IS COMPLETE. SUCH AN OUTCOME, MOREOVER, COULD BE EXPECTED TO PREVENT AN OPEN SPLIT IN THE PLP, AT LEAST FOR THE PRESENT.

4. WHILE THE ANNUAL PARTY CONFERENCE WILL NOT PRODUCE A

DEFINITIVE SOLUTION TO THE POWER STRUGGLE OR THE COMMON MARKET ISSUE, THE LEVEL OF INTERNAL CONFLICT IS EXPECTED TO DIMINISH FOR AT LEAST A FEW WEEKS FOLLOWING THIS EVENT THE MODERATES, SHOULD THEY SUCCEED IN FRUSTRATING THE LEFT AT THE CONFERENCE, WILL PROBABLY WISH TO CONSOLIDATE THEIR GAINS, AND THE LEFT WILL NO DOUBT WISH TO REGROUP. HOWEVER, AS THE EC RENEGOTIATIONS MOVE TOWARD CONCLUSION
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AND DECISIONS ON THE REFERENDUM ARE REQUIRED, THE ANTI-MARKET LEFT-WING CAN BE EXPECTED TO RENEW ITS EFFORTS TO TAKE THE UK OUT OF THE EC.

5. WILSON'S EFFORTS TO BLOCK THE LEFT-WING'S CAMPAIGN TO CONTROL THE GOVERNMENT SHOULD NOT BE INTERPRETED AS A FIRM INDICATION THAT HE NOW SUPPORTS CONTINUED UK MEMBERSHIP IN THE EC. OUR BEST READING IS THAT A DECISIVE NUMBER OF CABINET MEMBERS, INCLUDING WILSON, WISH TO WITH HOLD ANY DECISION ON THE COMMON MARKET UNTIL THE RESULTS OF RENEGOTIATION ARE KNOWN. WILSON'S ULTIMATE POSITION WILL ALSO BE CONTINGENT ON HIS ASSESSMENT OF THE DECISION'S IMPACT ON THE PLP AND HIS GOVERNMENT. HIS OPPOSITION TO LEFT-WING ATTEMPTS TO ELIMINATE SOME OR ALL OF THE EC OPTIONS, ACCORDINGLY, MUST BE SEEN AS PART OF THE STRUGGLE FOR POLITICAL DOMINANCE, AS WELL AS AN EXERCISE IN POLITICAL PRAGMATISM.

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